The Conference Board
MANAGEMENT RECORD
Published Monthly by
NATIONAL INDUSTRIAL CONFERENCE BOARD, Inc.
247 Park Avenue, New York

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August, 1939
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National Industrial Conference Board, Inc.
Vol. I, No. 8

Personnel Problems of the Future[1]

I HAVE BEEN GIVEN a most interesting assignment—to suggest some of the basic problems that are likely to be encountered in personnel administration during the next few years. Such a venture is obviously speculative, but it is also stimulating and constructive. It makes us do some real thinking and not be content with accepting all we see or read at face value. It forces us to come to grips with realities—to strip occurrences of the immediate and superficial characteristics with which they are surrounded and try to get at their fundamental significance. We must use facts and observable trends as a springboard, and then project ourselves into the future, regulating our course by reasonably relating anticipated effects to causes. In such a venture opinions must play an important part and will naturally vary. I speak merely as an individual, and no other person or organization is in any way responsible for any of my statements or conclusions.

Industrial relations problems are, of course, human relations problems, surrounded by all the uncertainty and unpredictability that characterize human reactions. There is the more reason, therefore, when we think about the future, to get beneath the surface and try to learn what thoughts and motives predominate in influencing men's actions. Although we speak of a mass mind, there is obviously no such thing, but there are at times impulses that are common to many. If we can gain an insight into the prevailing trends of mass thinking we will have some clues to the motives behind mass action which should help to account more rationally for happenings that otherwise may appear contradictory and illogical.

The Fear Complex

It seems to me that one influence more than any other is shaping men's actions today. That influence is fear. So many events have occurred which a few years ago would have appeared inconceivable, and so seriously has our economic system been dislocated by a series of international and national complications, that confidence in the fundamental rightness of things and in the probability of eventual stability has been seriously shaken. The whole world, political and economic, seems to be at sixes and sevens. The average citizen feels that he has been torn loose from long familiar moorings and is being tossed about by strange and sometimes sinister currents. Instinctively he is trying to lay hold of something substantial, something that seems to hold promise of giving him protection and security. In such a mood he is an easy victim of purveyors of panaceas, and is inclined to lend a willing ear to anyone who promises safety, or at least reasonable protection. So I believe that the personnel executive must first of all take into account this undercurrent of fear, sometimes bordering on panic, when he tries to understand apparently irrational actions and attitudes of employees, and when he looks ahead to try to be prepared for developments that are likely to confront him in the future.

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[1] Address delivered before the Northern New Jersey Personnel Group, Pennbrook Golf Club, Basking Ridge, New Jersey, June 22, 1939.

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The most universal fear that afflicts the average man is probably fear of loss of earning power. This is generally assumed to be confined to fear of unemployment on account of slack work. Unquestionably this kind of unemployment is a serious menace to peace of mind, and for good reason, but there is also the growing fear of unemployment on account of obsolescence of particular skills because of technological advances. Fear is a devastating influence making skillful men hesitant and uncertain, and making steady reliable workers inclined toward radicalism.

Management can approach its industrial relations problem in no more constructive manner than by trying insofar as possible to remove grounds for fear. It can do its utmost to make employment more regular and inaugurate re-training programs to enable employees who are, or who believe that they may be, victims of technological displacement to qualify for new types of work.

That fear was a major factor with which to contend in planning industrial relations policy, was attested again and again by foremen in all parts of the country who competed in the recent prize essay contest conducted by The Conference Board to bring out the ideas of foremen about the important problem of employer-employee relations. How, they asked, can high morale be built when there is always dread about how long the job will last. Fear counsels the wisdom of uniting in common defense and of taking sides against the employer. It is antithetical to an atmosphere of confidence and cooperation. So long as fear of its effect on the individual's fortunes is the instinctive reaction toward any deviation from former company policy, constructive progress toward better understanding faces serious obstacles.

An Apparent Paradox

There is, however, an apparently contradictory element in the situation. Fear and uncertainty incline men to mass together, sometimes politically, sometimes in labor organizations, for the furtherance of a common objective of security. At the same time, probably more than ever before, the worker is highly individualistic. He wants to be recognized in his employment not as a clock-card number or a part of labor as a commodity or a class, but as a distinct and separate individual with his own particular personality, qualifications, ambitions, and claims for consideration. This insistence on individual recognition is traceable, in the main, to two causes.

First is the increase in the size of companies. As plants or organizations have grown large, it has been next to impossible to construct personnel policies that do not have the appearance of regimentation. When large numbers of employees must be dealt with, and conformance with certain general policies must be required, only the executive who has constantly and insistently preserved the atmosphere of intimate dealings has escaped the encroachment of an impersonality and wholesale character in the company's personnel policy. The individual employee resents and resists being submerged in a mass of people.

The second main reason for the desire of employees for individual recognition is the constantly rising educational level among the employed working force. When a large part of the working force in many companies have had part or all of a high school training, and when thousands of college graduates are to be found in the factory starting to work their way up, management is no longer dealing with an illiterate or inarticulate group of workers. It is dealing with people who have very definite ideas and who can argue for their ideas, whether right or wrong, with considerable logic and forcefulness. Employees of this type expect and demand that their individualities be recognized and respected, that their particular abilities be given full consideration, and that opportunity for advancement be open to them according to merit.

And so, it seems to me that basic in our industrial relations problem is this apparent paradox—of employees inclined to unite for class protection because of a general feeling of insecurity, and yet at the same time insisting that their individual personalities, attributes and potentialities be given fullest recognition.

"The Reason Why"

There is another matter growing out of this higher intellectual equipment of workers today. It is very hard for some executives to realize that employees are thinking and reasoning persons. Of course, they are quick to admit this as an abstract proposition, but their personnel policies belie their actual acceptance of it. They cannot bring themselves to share with employees the reasons for policies or orders that may be only of general interest or may intimately affect the employees.

Perhaps this unwillingness is due to an assumption that employees cannot understand the reasons. A generation ago that might have been true, but it is rarely true today on any large scale. Perhaps it is because it gets away from the orthodox conception of management prerogative—that it is labor's duty to accept and obey orders without question. Or, it may be unintentional.

Whatever the reason, a policy of aloofness and uncommunicativeness is unfortunate and costly. At a time when management policy is constantly subjected to attack, when the weirdest interpretations are placed on the most natural actions, it seems a great pity that steps cannot be taken to satisfy natural curiosity and forestall misunderstanding by the simple expedient of explanation. How much fear and uncertainty could be prevented by an accurate explanation of the reasons for a policy before the rumor factory has gone into overtime production! How frequently would the choicest arguments of agitators fall flat before a knowledge of facts!

It is so much easier to gain active and genuine cooperation from people who understand the reason for things, who have been taken into your confidence and told "the why" of an order that may affect their fortunes vitally, that it is hard to see why so many executives resist the idea of giving such information. It is hardly conceivable that they prefer to wait until it is demanded by union officers and management is placed in the defensive position of trying to justify its acts.

Divided Loyalties

One of the big problems of industrial relations in the next few years, in my opinion, revolves around the question of loyalty.

In any list of the cardinal virtues to be possessed by the desirable employee, loyalty to the company has always occupied a prominent position. It has been taken for granted that everyone on the payroll owed a blind, unquestioning allegiance to the employer or management. It has been assumed that wages purchased not just work and production, but an instinctive devotion to the interests of the company, whether or not such devotion was deserved and reciprocated.

There are, of course, selfless loyalties to persons, principles, or causes, but these are largely emotional and unrelated to the stern business of making a living. Loyalty in the practical world is the response to a corresponding regard for, or interest in, the individual and his well-being. An employee is spontaneously loyal to the company he works for—and unless loyalty is spontaneous it is worthless—when that company demonstrates its interest in and its mindfulness of his problems and his aspirations. It is not an idealistic fealty, but a practical, cooperative union of interests.

But of late a new form of union—the labor union—has made considerable headway in challenging for the worker's loyalty. It has maintained that not only does the worker owe his first loyalty to his fellow workers, rather than to the employer, but that in making that loyalty effective he serves his own interests by strengthening his position in dealings with the employer.

This introduces a new problem for the employee. If he joins a union is he disloyal to the company? Many employers take that attitude, and by taking it they create a chasm between management and working force that need not exist. There is no good reason why devotion to a company's interests cannot continue under collective bargaining. Granted that in many cases such a relationship has not been achieved; but there are other instances in which collective bargaining has brought about a more intelligent and effective loyalty than existed under individual dealing. If a management assumes the position that joining a union is an unpardonable act of disloyalty, it is likely to confirm in the worker's mind the suspicion that there is a decided lack of mutuality in the company's brand of loyalty, and that the company fears competition from the union.

Company managements must recognize the competition for the loyalty of employees by labor organizations, some of which have shown not the slightest interest in the welfare of the company or realization of the vital importance of such welfare to the employees. Management must meet this competition not just by denunciation of the motives of labor leaders or by protestations of virtue and high regard for the interests of employees, but by clear demonstration that such regard is sincere and is translated into definite attitudes and policies. Because of the employment relationship it is in a strong position to prove its case, if it is so minded, but it can do so only by recognizing that loyalty is something to be earned, not merely demanded—that it carries with it obligations to employees as well as advantages to the company.

One of the best statements on the subject of loyalty that I have seen was written by a foreman who competed in the foreman essay contest referred to earlier. Perhaps it appeals to me particularly because I agree with the author 100 per cent, but I believe many executives might with advantage consider carefully what his conclusions on this subject are:

> The foreman, superintendent, and manager who expect, demand and plead for loyalty must first be loyal to those working with and for them. It is a give-and-receive proposition, and the more freely we give, the more abundantly we receive. And those who complain most bitterly of poor cooperation, low morale, and lack of loyalty could most profitably search for the causes of this condition within themselves, probing their own lack of loyalty toward those from whom they expect loyal cooperation.
>
> Loyalty is basically not the "die for dear old Rutgers" idea, but rather an intelligent self-interest which recognizes and idealizes the men and the organizations who are freely and conscientiously demonstrating their own loyalty to the members of the organization; by continuously seeking to reward merit, to provide opportunity for promotion, to reduce unsafe practices, to correct unsanitary conditions, to give sympathetic hearings to complaints, comments and suggestions, and to avoid all suggestion of unfairness and partiality.

Factory and Office

One more matter to which I would like to allude briefly is the reorientation of personnel policy with regard to its application to different types of employees, or I might call it the adjustment of personnel policy to meet specific needs.

A decade ago most companies had two separate policies—one applying to factory workers and the other to office employees. In the main, the factory worker was paid for the time he worked, sometimes with a premium for overtime work, and was paid for no time he did not work. His hours and working rules often differed considerably from those applying to the office employee. The latter was paid a salary from which, as a rule, no deduction was made for short excused absences. Usually no extra conpensation, except supper money, was paid when overtime work was necessary, but it was customary to provide the office employee a two weeks' vacation with salary, payment for holidays, and in other ways permit privileges that made office work attractive.

The tendency in recent years has been to narrow the gap between office and factory in the matter of personnel policy. Factory working hours have been considerably reduced, a few companies pay wage earners for certain holidays, working rules have been liberalized, and the practice of granting paid vacations to factory employees has become quite prevalent. Most important of all, labor union activity and general labor conditions have brought about a substantial advance in wage rates.

On the other hand, in many cases office employees have felt that they have not received any corresponding improvement in status. The factory worker has been acquiring privileges that formerly belonged only to the office, and, in addition, his earning level has risen, whereas the office worker feels that he has stood practically still. Labor unions have made headway in convincing office employees that they, too, need organization and protection, and unions of clerical employees are no longer unusual.

And so management is confronted with a new problem of applying a personnel policy equitably as between factory and office personnel. Are jealousies between the two groups likely to create further complications in personnel administration, or will the policies applying to the two groups tend to merge into a single over-all company policy, with certain adaptations to cover special situations arising in connection with one or the other group? The latter seems to be the more probable.

THE DOMINANT TREND

Personally, I am optimistic about the future in industrial relations. This optimism is based not on possible changes in political or legislative attitude, but on the much more impressive and significant evolution in thinking and attitude that has been taking place during the last few years on both sides of the fence. We have been through some trying experiences, and, for some companies at least, there are probably more to come. Out of these experiences, whether they have affected us directly or whether we have been only thoughtful observers, have come a new balancing of human and economic objectives, a new tolerance of the other man's point of view, a new willingness to talk things over, man to man. Tradition has been yielding to realism, and, while this transition has caused many a wrench, it has also shown the capacity of American management and worker to adjust themselves to new situations.

If the extensive campaign since 1933 to create a new labor philosophy in this country was intended to drive employee and employer further apart, it is failing. I believe that the events of the last few years are bringing them closer together. As management becomes more understanding and aware of employee problems, and shows a willingness and intention to do everything possible to help deal with these problems, radicalism finds increasingly barren ground in which to sow its seeds of dissension. A basis for equitable cooperation, whether with or without formal collective bargaining, is going to be found, a basis that will recognize economic necessities and human needs, and find a proper balance between them. Once more let me ask a foreman to do the talking for me and to express his simple philosophy of industrial relations. So often the simplest principles are the most fundamental and the most worthy of being taken to heart:

> If the term "collective bargaining" could be supplanted by collective effort, collective efficiency, collective honesty, collective square dealing, collective love of our fellow man, we would have that greater abundance which is so desirable, and bring to industry the advancement of ideas, the promotion of inventiveness, and an employee-employer relationship which would need neither legislative nor union support.

To which I would only add—"Check!"

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"What Is the Best Training Technique?"

THIS IS ONE of the questions most commonly asked in regard to all types of personnel development programs. It is obvious that there is no answer to it, for the only possible way to define the training program that is "best" for any company is to say that it is one which most effectively meets the managerial, production and sales needs of that specific organization. However, the fact that the question is asked so frequently indicates the extent to which industrial units tend to accept methods of other companies without taking into account the vital differences that may exist between the training needs of another organization and their own. The technique which proved to be very effective in a New England unionized textile mill in which authority was decentralized, may prove completely ineffective in a Chicago non-unionized steel plant in which authority is centralized to a high degree. Every organization has within it unique situations which create unusual training needs and make necessary unique training techniques. A blind acceptance of methods that others have found successful may produce valuable results, but there is just as great a possibility that the program will be a complete failure.

The experience of others in facing problems similar to one's own is of inestimable value, but, particularly in the field of training, it is not enough. In designing a program, it is as important, if not more so, to do sound research into one's own organization's needs as it is to find out how ABC, Incorporated, solved its problems. There is no real point to installing a training procedure because it effectively meets one's neighbor's needs.

The frequency with which this approach to planning is actually used, is shown by the similarity of training methods in situations that have little in common. Many times it is the result of pressure put upon those authorized to initiate the work "to do something quickly." Sound research into the company's specific needs requires time, and so, too often, it is neglected entirely and "ABC'S" plan is introduced with the attendant doubtful results.

Even though ineffective or only partially effective, a procedure which was accepted without sound preliminary research may continue in operation for years, because no attempt is made to evaluate objectively the completed work. In some cases, this is due to the fact that the top management, because it has no active part in the program, is out of touch with the situation. In others, it is due to unwillingness on the part of training staffs to have their work evaluated objectively. It is easier to say, "Going along fine, we graduated 126 this year; of course, there is no real method of evaluating results," than it is to tackle the hard task of building evaluation procedures that may entail complete revision of the program. As a result, ineffective training methods that were introduced without a background of sound research continue to function without ever being properly appraised.

The small amount of attention that is being given to these two phases of the work—preliminary research and post-evaluation—constitute what is, perhaps, one of the major causes of wasted and ineffective training. The work of some companies that have given a relatively large amount of time to these questions offers an indication of the approach that might be made in connection with each of the elements that form a program.

The Subject Matter

Whether the procedure to be designed is for apprentices, salesmen, foremen or any other employees, the research to discover training needs naturally starts with the responsibilities which compose the job. If an effort is made to define how the work would be done by individuals or by groups when it is done satisfactorily, it is not difficult to locate the training needs by noting where the present job performance falls short of that standard. In the case of an untrained apprentice, his training schedule naturally includes the entire list of abilities that his trade demands of a journeyman. Since he is entirely untrained, a description of the job elements is his training program. An analysis of the job performance of a salesman or a group of salesmen may show that while they are thoroughly familiar with their product, their sales are low because they lack skill in presenting their information. Further training on product information would obviously not change the sales records where training in the skill of dealing with people would, so the training outline writes itself. Research on the present job performance of foremen may show a need for a better understanding of the company organization or its policies or its production standards or something that no one ever thought of before, and whatever is discovered will be the subjects of the training schedule.

The same approach is applicable to any type of organizational work, for on every job it is possible to compare the present performance with a job standard and find the difference which is the training need. The preliminary research eliminates wasted time in teaching skills or information that have already been acquired and absorbed. At the same time, it reveals unsuspected areas of weakness that have caused losses which can be avoided by a correctly designed training plan.

Various companies have developed techniques for making the performance studies which reveal training needs. One bases the whole training procedure on an individual analysis made jointly by the man and his immediate supervisor; another has instituted an annual personnel audit by foremen and superintendents. One of its uses is in planning the next year's training program on the basis of the weaknesses revealed. Others use such indicators as service complaints, losses in production, unproductive sales calls, employee grievances and the contents of a training suggestion box. One company sends its training staff men as observers with the the salesmen in order to find the weak points in the present job performance. No matter how it is done, the purpose is the same: to set up a procedure that will regularly and automatically identify the phases of the work that are at present being performed below standard so that the training procedure will always be aimed at the points that need strengthening.

THE METHOD

If preliminary research in one's own organization is valuable for planning subject outlines, it is even more important that time be taken to "know one's self" before selecting a method. Any salesman knows that there is no "one way" of interesting all types of customers in all kinds of products. The approach must be adapted to fit the product and the personality of the potential buyer. Training is similar to selling in that both depend on the successful presentation of ideas in such a way that they will be understood and accepted. The "best" method of presentation of material to a training group is the one which is the best adapted to telling those particular facts to that specific group.

The subject to be treated and the employees participating may be such that the conference method is the perfect medium for the transmission of ideas. On the other hand, with another type of employee or another type of material, the use of the conference method might result in absolute failure. Again, the criterion of judgment is not how successful a neighboring plant was in the use of a certain method. Perhaps they were dealing with a very articulate group who were studying a subject that lent itself to the discussion technique. Another problem may involve employees that are not so mature and must absorb a relatively large quantity of specific technical information. A technique which would never have produced results in the ABC Company may be exactly the one best adapted for another group. The only way to know is to take time to study the individuals, analyze their needs, discover the way they learn best and to design a method that will be the best learning medium for them.

One company gives initial training to foremen in organized classes at each plant. Another takes them all to the home office for observational trips and has them summarize what they learn in written reports. A third gives all initial foreman training as individual instruction based on a comprehensive foreman's manual. A fourth buys prepared material and discusses it in conference groups. A fifth has pre-foremanship courses in which selected employees study all the companies' activities and have monthly examinations. A sixth has group meetings for training in the skill of dealing with people, and gives other information individually. To this list many more types could be added and just as many varieties could be cited in apprentice, sales or college graduate training. They may all be the "best" method in their particular settings. Time taken in the beginning for research within the organization results in the selection of the right method, where a hurried acceptance of a technique, popular at the moment, not only wastes time and money, but may lower the morale of the company's personnel.

THE LEADERS

Not everyone is fitted to lead training activities. Different methods require different types of leadership. The diverse qualities which make an effective conference leader, an individual coach, a classroom teacher, or a shop instructor are not usually native to any one man. In most industrial units it is difficult to find men who possess the ability to fill even two of the roles. To presume that all the men in the upper level of a supervisory force are naturally fitted to be teachers is to risk failure at the start.

After preliminary research has defined the subject material and the method, additional time is needed to locate or train men who are capable leaders. The requirements of the particular method should be the criterion of selection of leadership or for the training of leaders. In many companies, the line supervisors (i. e., general foreman, sales managers, foreman in apprentice work) are given the responsibility of instruction. One company has a course designed to prepare selected men to be classroom teachers. Another gives all its foremen intensive training in how to instruct new men on the job. One sales unit includes the positions of District Instructor and Division Instructor in its promotion series, in order to be sure that no man will arrive in the jobs of greater responsibility without experience in training. Many companies give the upper levels of the supervisory force courses in conference leading that will make them capable of directing group discussion. Poor leaders can make the most carefully designed program ineffective. Preliminary research into the conditions of one's own organization will give a basis for the selection and training of the type of leadership that is best adapted to the proposed method and so produce creative results.

THE TRAINEES

An analysis of training failures shows clearly that even though the subject outlines, the methods and the leaders have been selected on a basis of sound internal research, the program may be unproductive unless the same approach is applied to the selection of trainees. The best techniques in the world will not help an artist to make granite statues out of good oak or help a leader to make skilled mechanics out of potential salesmen. The purpose of the program defines the type of participant that should be accepted. Where time has been taken to set up standards of selection based on the abilities required, the results have shown improvement both in the grade of work and in the decrease of the number of failures.

Effective selection techniques vary with the conditions for which they are designed. Again, there seems to be no one way. The "best" methods of selection are those which are most appropriate to the company situation. Some have found that a multiple interview or rating procedure, which gives the combined opinion of many men, results in sound selection. Some companies have built up employment or promotion reserve groups which are given a preliminary training that is in itself a process of selection. Many organizations have done extensive research to develop tests that would objectively select the type of men needed. In whatever way this preliminary selection research is carried out, the right methods seem to have reduced the percentage of waste training by finding the man best fitted to fill the specific organizational needs.

EVALUATION

More and more companies are coming to believe that there is no justification for spending time carefully designing a training procedure, patiently applying its methods, and then, after it is completed, making no effort to evaluate results. The necessity for setting up work standards that has always been recognized in the production departments is gradually being accepted in the training field. The traditional point of view that it is impossible to evaluate results is giving way to a new feeling that if procedures can be designed to teach a subject, techniques can be developed to discover if it has been learned. If information is given, it is possible to find out if it was absorbed. If a skill is taught, it is possible to discover if individuals are using it.

Many organizations have found that the same techniques which served in the preliminary research period to identify weak spots in job performance are effective in evaluating the improvement that has been made as a result of training. Personnel audits, service samplers, direct observation, ratings on job performance are all just as valuable for indicating results as they are in identifying needs. Practical examinations, periodic questionnaires in the post-training period, and written reports have been developed in various forms to check each phase of the training given.

Evaluation is really a form of post-training research, and so serves at the same time as a method of preliminary research for further training phases. Management, by supplying the training department with man-power sufficient to make a thorough study of the organization's needs, is able to see by objective indications that the standards of job performance are being sustained through a training procedure that automatically concentrates on the weak points.

The experience of those companies that have had the richest experience with programs of personnel development indicates conclusively that blind imitation of the training methods of one's neighbors is definitely dangerous to organizational morale. But where the procedure is continuously planned and evaluated on a basis of sound research into individual needs, training ceases to be an extra-curricular activity of doubtful practical value and becomes an effective managerial method for producing creative results.

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Notes on Personnel Administration

Per Capita Labor Costs

INTERESTING evidence in the controversy as to whether employees in large or small plants earn more is presented in THE CONFERENCE BOARD'S *Road Maps of Industry*, Number 189, issued August 11, 1939. Total wages paid in 1937 have been divided by the average number of workers employed, as reported in the Census of Manufactures for that year, to determine the per capita cost of labor. This figure cannot, of course, be considered as average annual earnings because the personnel within the figure reported as the average number employed may have shifted considerably during the year. It indicates in a general way what the average annual earnings would have been had the group of average number employed, as reported, been made up of the same employees throughout the year.

The chart presents data for six broad industrial groupings and a miscellaneous group, as well as composite figures for all industry. The latter indicate that there is not much difference between the average labor cost per employee in plants employing 50 or less and in those employing 51 to 250—$1,063 and $1,066 respectively. The amount increases to $1,132 in establishments employing 251 to 1,000 and then increases sharply to $1,427 in the large plants employing over 1,000 workers. In other words, the per capita cost of labor in 1937 was

34% higher in large establishments with more than 1,000 employees than in those employing 250 or fewer.

Making Employees Cost Conscious

Employees operating costly machines rarely have any conception of the amount of the company investment entrusted to their care. Believing that a realization of the value of equipment would result in more care being exercised in its use, the Monarch Machine Tool Company tried the experiment of attaching to each machine in its own plant a plate showing what the machine cost the company when it was purchased. Results have been so gratifying that customers are beginning to request that machines purchased from the company be similarly equipped.

A Safety Reminder

An interesting feature of the safety program at the Armstrong Cork Company is the bulletin board at the employees entrance to the factory. On this board there is a green flasher light which flashes continuously as long as there are no lost-time accidents in the factory. However, upon the occurrence of an accident the green light is switched off and for one full week a red flashing light takes its place. The psychological effect of the red and green signal lights has proved to be a valuable contribution toward decreasing the number of accidents.

Ford Motor Company Insurance Plan

One of the largest group life, health and accident policies ever underwritten was recently adopted by the Ford Motor Company. It provides for a death benefit of $1,500, and a sickness and accident benefit of $15 per week up to a maximum of three months. Employees will be eligible for this protection upon completion of two years' service. It is estimated by Ford officials that nearly 95% of the company's 110,000 employees will be eligible to subscribe.

The plan is on a contributory basis. While the employee contributions have not yet been definitely decided upon, the company has announced that it will bear approximately half of the cost of this protection. The insurance will be administered by a committee of the Ford Employees' Social Service, which will set up an office outside the River Rouge plant where all insurance arrangements will be handled.

Coffee Coupon Books

Comparatively few concerns permit employees to pay for their luncheons under a payroll-deduction plan. The Great Western Electro-Chemical Company has made a rather unusual arrangement which permits its employees to purchase coffee by this method. Coffee is sold at two cents a cup and, as a matter of convenience, coffee coupon books containing twenty-five tickets are sold for fifty cents. These books are furnished to employees on their personal signature, the amount being deducted from the next pay check. The company will refund for unused portions of the coupon book whenever requested.

Record of a Savings and Loan Association

The year 1938 was a highly successful one for the Commonwealth Edison Savings and Loan Association, which is composed of employees of the Commonwealth Edison Company of Chicago. Membership in the association reached an all-time high of 4,298 persons, while there were 68,581 shares outstanding. During the year, the association paid $169,134.05 in dividends to shareholder accounts.

The pooled savings of the association's members are employed chiefly to assist members in the purchase of homes. At the end of 1938, there were 819 real estate loans totalling $3,045,884 outstanding, while during 1938 the association loaned $457,200 to 147 members for home-owning purposes. Loans amounting to $60,606 were also made on shares to 220 members during the year.

The directors of the association on December 16, 1938 adopted a simplified direct reduction plan for all new real estate loans. This plan provides that monthly payments are to be applied to the direct reduction of the loan rather than to the purchase of shares.

Quotations from Foreman Essays

"To interpret the management to the employee is not enough. This reduces the foreman to the status of a vehicle to transmit decisions in which he had no part, and brands him a 'company man.' He must be essentially a unit on which company policy is founded and an influential factor in the company policy, not by virtue of his position, but from free and unprejudiced conclusions arrived at in the exercise of that sound judgment which earned him that position. He must neither be an employee spokesman nor a 'company man,' but a responsible personality privileged to submit for sincere consideration independent opinions, arrived at as a result of his peculiar opportunity to evaluate the company's and the employees' viewpoints.

"His true function should be not merely to serve as a channel through which to submit company decisions on policy, but rather a source from which to draw conclusions on which to base company decisions. Such a status would enable the foreman to reconcile at their inception those minor and sometimes, from a management standpoint, unsuspected divergencies, which can undermine morale if not recognized and corrected. As a builder and custodian of his department's morale, the foreman is a vital force in industrial employer–employee relations. His greatest value lies in the recognition of the worth of his unbiased conclusions, and in the maintenance of his privilege to express them to the management freely and without fear of prejudice to himself."

* * *

"The foreman can increase smooth operation and friendly feeling throughout the organization with other foremen and superiors by giving them a whole loaf every time they ask for half a loaf.

"Kill them with kindness and really mean it; but don't try to 'kid them.' If you have any fault to find with another foreman, try to make him see it your way by asking questions relative to the problem you are not satisfied with, and make indirect suggestions relative to the way you believe is correct."

* * *

"There is a great need today for a new kind of industrial training. A large percentage of employees who lose their jobs do so because of difficulties in getting along with their fellow workmen and supervisors. Today the way men work with each other is more significant than the way in which they work with tools or machinery. A kindly, helpful, friendly feeling which will promote cooperation, loyalty, and enthusiasm is of the greatest importance for smooth operation in any industrial plant."

* * *

"Avoid waste motion, waste words, materials, and labor. There is no magic about system, it is no pink pill for pale people, it is simply organized common sense, and the motto of 'Write it—don't say it' should be adopted as much as possible."

* * *

"The pocketbook is a tender spot and rightly so, and a touch there is quickly responded to. Shower baths, bowling alleys, libraries, concerts, and other activities will not make up to a worker for an unfair pay cut, or a wage scale that compares unfavorably with other departments. An appeal to the man should be made. He should be told not to expect legal tender money for counterfeit labor. The industrial family is too important to flirt with."

* * *

"The Management must believe and trust their foremen. They should know when he is appointed that he has their best interest at heart. The foreman is the contact man for the organization that he works for; he is the man who makes future foremen; in fact he moulds the possible coming managers of his firm or organization."

* * *

"A foreman to build morale must possess a high morale himself and to maintain this morale he must be treated fair, square and not be lied to by the company for which he works. When the morale of the foreman is broken the morale of the men working under him disappears because they have no leader."

* * *

"When wishing to talk to a worker the foreman should either send for or, better still, go personally to his side. The old practice of standing at the far end of a machine and letting out an Indian war cry to summon the worker is not good for morale. All conversation should be on a polite but firm basis."

* * *

"When disciplining a man, make it a private discussion, not a public brawl."

* * *

"Present and interpret the Management's policies to the men in such a manner that there will be no possibility of misunderstanding. Present the reactions and opinions of the men to the Management in the same spirit. A mutual understanding here breeds good will and is poison to propagandists trying to breed unrest."

* * *

"Some men will do a lot for a pat on the back, whereas some need a kick in the pants."

* * *

"No foreman or sub-foreman should be put in a pocket by the management promoting an unqualified person from the office or other department to a responsible position above him. I believe this practice is common in all American industry. The managements have some person or persons whom they wish to reach a higher position and in order to put them there they will promote them over the heads of well qualified men. When they reach their high position they have left a disgruntled group of both foremen and men behind them in each department they have passed through."

* * *

"If I have a particular job to do trying to improve a piece of machinery or to devise something to do the job better, I will say to the mechanic 'I want to accomplish a certain purpose.' Always let a man know what you are trying to do. I say 'John, this is my idea, what do you think of it, or what would you suggest?' He will right away feel his importance and very often suggest something better than my idea, for which he gets full credit.

"I know that I have men working for me that are better practical mechanics than I am or ever will be, and I let them have pride in their work and get all the satisfaction they can out of it. I have learned a good many things from the humblest Negro laborer, and they have brains as well as hands. They also get full credit and consideration. I never allow anyone to refer to my men as so many 'hands.' They are men with brains and I encourage them to use them."

* * *

"He should never lose his temper with them, as there are three sides to all disagreements—*yours*, *his* and the *right* side."

* * *

"I have often wondered why more foremen don't have a committee formed among the men in their department. This committee's business would be to keep the foreman in closer touch with the men. Some men hesitate to speak directly to the foreman, but would not be slow at all to present new ideas or suggestions for improvements to a committee."

* * *

"It is very injurious to the morale of a department and to the proper behavior of any employee to be expected to take orders from his foreman and at the same time to see his foreman derided by another foreman, or one of his various superiors. Any remonstrations with a foreman by his superiors should be carried out in privacy and not in the presence of his employees, as this tends to break down the respect of these employees for their foreman."

* * *

"Let us look at the foreman's relationship to the rest of the organization. To those of us mechanically minded he can be compared to the pinion in a differential. If he is not doing a smooth job of holding management and employees together, neither the efficient driving force nor the flexibility desirable in organization can exist. His position is important, yet the proverbial weak link in the chain of organization. There should be a willingness and effort between foreman and management to cooperate."

* * *

"In addition to the functional departmental manual we developed our own shop manual. The shop manual indicated in detail all specific duties of each person in the department. On the first page was a diagram of the department personnel names indicating in what position of the department he was, and his title was also given. The succeeding pages showed him of what his job consisted and where it started and stopped. Needless to say, each person could see just what part he played in the functions of the department. In addition, he could learn the functions of everyone's job in the department. Pertinent information was passed around to all members of the department, initialed and finally placed in its proper file.

"We felt that keeping everyone up-to-date on all new developments, whether or not they pertained directly to the employee, was an important feature. It developed a feeling that the employee was being placed on the same level as the supervisor. The boss was not trying to keep all the knowledge to himself, which he could easily have done by withholding pertinent information."

* * *

"You can fool some of your men some of the time but not all of your men all of the time. But why even fool some of the men some of the time ? Why not have one's cards on the table calling a spade a spade ? Men will be more honest with you, and suggestions to help the company will be given to the foreman that deals with his men in an honest and above-board fashion."

* * *

"The one thing that you should try to instill in every man in your department is that whether he be an office boy, floor sweeper, or highly specialized skilled worker, to be able to do his job better than anyone else, is a mark of distinction and a credit to himself, his family, and, above all, his employer."

* * *

"Never discuss politics or religion with your men; these are dynamite."

* * *

"Manufacturing foremen should be given a period of training with the problems that the salesmen must face. Maybe the foreman could do something to help the salesman sell his product to better advantage."

* * *

"Be punctual and reliable. Confine your clock watching to the alarm clock."

* * *

"You may not know all the answers about yourself but check up with others on your faults and virtues; another sound tip is 'plan your future.' A lot of employees have no plans other than those for the coming vacation. But those who get ahead invariably have a pretty good idea of where they're going. Employers place great emphasis on imagination. The man with ideas is at a premium. Develop this ability by purposely spending a few minutes every day in straight thinking about your job and your company's future, the whys and wherefores of its failures."

* * *

"So many times a worker is carrying a chip on his or her shoulder for some real or imagined grievance. For one reason or another they complain to everyone but the foreman, who could possibly clear it up in jig time. It might give a foreman a jolt to know what some of his workers think of his methods of running a department."

"The thought of stealing money from the pocket of anyone would be abhorrent, but ideas are a real temptation. The normal foreman takes just pride in the accomplishments of his brain and strives to build up a reputation for alertness and ingenuity. He likes to be known as 'a bright fellow,' 'a good head.' This is egotism which is perfectly natural. To have someone, especially someone of lower rank in the organization, solve a problem, the presence of which may even have been overlooked, is indeed a blow to that egotism. By the same token, the ability to give unstinted credit and sincere praise in these cases will pay the largest dividends in Loyalty and Goodwill. Instinctively the workman will respect and admire the character of the superior who has developed the rare ability to completely master jealousy and selfishness."

* * *

"Overlooked a great deal, I believe, is the amount of good that could be accomplished if departments would take excerpts from data and activities enumerated on monthly and annual reports which are not confidential, and disseminate that information to the men in the form of circulars or posters. If workers knew, for instance, how many items go into the articles they manufacture, their individual and total costs over a given period, and a host of other allied subjects, they might better realize why a company has to be 'cost' and 'waste' minded."

"Let the big fellow say "Hello" as he visits the various departments, and let him keep his office door open to the least of his employees. Management can help create common interests by letting the employees know about that new product, plans for expansion, or new record made. Promotion of athletics, glee clubs, picnics will help; and let there be a plant newspaper of some kind."

* * *

"A foreman, to build morale, must be a salesman. He is the man that is close to the employee and ninety per cent of the time the employees judge the company by him. How many times have you heard men in one department say 'John Doe Company is swell to work for'; while men in another department of the same plant say 'John Doe Company sure is tough to work for'? The company has the same policy in both departments, but it is the foremen who are different. The foreman must sell the company point of view to the men as well as himself. He must sell them the idea that the company must meet its competitors in quality and price and, if not, it cannot stay in business. Remember, he must sell his ideas and not try to force them on his men."

* * *

"Give the perpetual grumbler and 'I told you so' fellow an opportunity to make a decision of his own. The results may be surprising one way or the other."

Chronology of Events Affecting Labor Relations August, 1939

August

1 *Maternity Leaves Provided*—New York State Tax Department announces policy granting married women employees 30 days' sick leave in addition to regular sick leave and vacation allowance in event of pregnancy. Expectant mothers not resigning must take leave of not less than 7 months, of which at least 3 months must be prior to confinement.

N.L.R.B. Orders Vote—Announcement is made that elections will be held by N.L.R.B. in plants of Chrysler Corporation, Briggs Manufacturing Company, and Motor Products Company to determine whether majority of employees wants A.F.L. or C.I.O. representation. About 78,000 employees are affected.

C.I.O. Invades Building Industry—United Construction Workers Organizing Committee launched by C.I.O. to compete with powerful A.F.L. building trades group. New organization, headed by brother of John L. Lewis, pledged to make every effort to eliminate strikes and work stoppages during adjustment of difficulties.

2 *Unemployment Declines in June*—Conference Board unemployment estimates indicate a decline of 4.3% in the number unemployed during June. Total unemployed in June, 1939 was 9,552,000 as compared with 10,959,000 in June, 1938.

Bars Split of Unit—By vote of 2 to 1 N.L.R.B. holds employees of industrial concern cannot split from a dominant collective bargaining unit to join a minority organization for collective bargaining in American Can Company case. Chairman Madden, dissenting, calls decision unfair to A.F.L.

W.P.A. Eliminates "Career Men"—New regulations announced "to make it extremely difficult for anyone who is not in dire need either to receive an assignment or to be retained on W.P.A. rolls." Persons on home relief to be selected for W.P.A. on basis of relative need; current need of every person on W.P.A. rolls to be reexamined at least every six months.

3 *Recommend Minimum Boot and Shoe Wage*—Industry committee for boot and shoe industry recommends 35 cents per hour as minimum wage for industry under Wage and Hour Act after withdrawal of one member of committee in protest against "misleading and inadequate statistics" furnished to committee.

5 *Automobile Strike Settled*—Month-old strike of General Motors tool and die makers, rendering about 100,000 automobile workers idle, is settled on terms that are overwhelmingly approved by strikers affiliated with C.I.O. faction.

Board to Investigate N.L.R.B.—Speaker Bankhead announces personnel of board authorized by vote of Congress to investigate operation of N.L.R.B., including Representative Howard W. Smith of Virginia, Chairman, and Representatives Healey of Massachusetts, Murdock of Utah, Halleck of Indiana, and Routzohn of Ohio. Composition of board expected to produce a fair-minded and thorough investigation.

Security Act Amended—Amendments to Federal Social Security Act liberalizing benefits for the aged and providing for "freezing" payroll taxes at 1% for next three years enacted by Congress. Estimated saving in payroll taxes of $825,000,000.

6 *National Banks Under Wagner Act*—N.L.R.B. rules national banks not agencies of the Federal Government and subject to Wagner Act in decision involving Bank of America National Trust and Savings Association of California.

Time Lost by Strikes—The publication *News and Opinion* estimates the following losses of time through strikes in 1938 in leading industries and branches of business:

	Man Days
Wearing Apparel Industry	764,000
Textile Manufacture	661,000
Retail Trade	632,000
Building and Construction	405,000
Saw Mills and Logging Camps	400,000
Iron and Steel Industry	397,000
Motor Bus Transportation	390,000
Anthracite Coal Industry	358,000
Bituminous Coal Industry	132,000
Furriers and Fur Factories	323,000
Fishing Industry	314,000
Automobile Manufacture	288,000
Paper and Printing Industry	241,000
Radio and Phonograph Manufacture	202,000
Canning and Preserving Industry	178,000
Foundries and Machine Shops	142,000
Electric Railway Transportation	140,000
WPA, Relief and Resettlement Projects	136,000
Water Transportation	126,000

10 *Ford Company Cited*—N.L.R.B. in revised order rules Ford Motor Company violated Wagner Act and must correct certain labor practices described as unfair.

11 *Jurisdictional Links Banned*—Building Trades Department of A.F.L. and Associated Contractors of America announce agreement to settle jurisdictional disputes without strikes; work now suspended in such disputes to be resumed immediately. Estimated that 60,000 to 80,000 men would be put back to work.

15 *Compensation Asked for "Lockout"*—C.I.O. Textile Workers Union applies to Maryland Unemployment Compensation Board for benefits for 1,100 employees of Celanese Corporation of America because stoppage of work in plant was due to lockout. Maryland law prohibits compensation to employees when work stoppage exists by reason of labor dispute.

Representation Plan Outlawed—N.L.R.B. orders Bethlehem Steel Corporation to disestablish independent representation plans on ground that these constitute interference with collective bargaining as interpreted by the Board.

16 *N.L.R.B. Order Appealed*—Bethlehem Steel Corporation files suit in United States Circuit Court of Appeals to set aside N.L.R.B. order directing it to disestablish its employee representation plans.

18 *C.I.O. Auto Union Wins*—In first official test of strength between the A.F.L. and C.I.O. factions of automobile workers, C.I.O. wins N.L.R.B.-conducted election covering employees of Packard Motor Car Company.

19 *Independent Unions' Strong Showing*—Independent unions won 30 of the 48 elections conducted by the New York State Labor Relations Board from July 1, 1937 to June 30, 1939. Votes for independent unions totaled 52.3% of all valid votes cast in elections in which they faced A.F.L. and C.I.O. opposition.

21 *Wage-Hour Mandate*—Fair Labor Standards Act Administrator announces first minimum wage order issued by his office. Order is expected to increase wages of about 46,000 employees in hosiery industry.

24 *Learners Exempted*—Wage-Hour Administration rules that learners in hosiery industry may be employed at less than recently established minimum wage. Except by special authorization of Administrator, learners may not exceed 5% of total employees. Period of exemption to be between 12 and 24 weeks.

Wages and the Cost of Living

A SLIGHT decline in manufacturing activity was revealed in reports for July received by THE CONFERENCE BOARD from manufacturers in the 25 industries covered in its regular monthly survey.

MAN HOURS WORKED

Total man hours worked were 0.8% lower in July than in June because there were fewer workers employed. Declines were reported in 13 of the 25 industries, the largest, 20.7% in the automobile industry, and 6.8% in the iron and steel industry. In the boot and shoe, and book and job printing industries, however, there were increases of 12.7% and 6.8% respectively. Total man hours in the 25 industries were 23.5% higher than a year ago, but 36.0% lower than in 1929.

EMPLOYMENT AND PAYROLLS

There were 0.7% fewer workers employed in July than in June, 16.8% fewer than in 1929, but 11.9% more than in July, 1938. Total payroll disbursements

EARNINGS AND HOURS, ALL WAGE EARNERS

JULY, 1939

INDUSTRY	Average Earnings				Average Hours per Week per Wage Earner			
	Hourly		Weekly		Actual		Nominal	
	July	June	July	June	July	June	July	June
Agricultural implement	$.804	$.802	$30.89	$31.11	38.4	38.8	40.2	40.2
Automobile[1]	.959	.960	33.37	33.75	34.8	35.2	40.0	40.0
Boot and shoe	.506	.509	19.05	17.72	37.6	34.8	40.3	40.0
Chemical	.763	.757	29.50	29.43	38.7	38.9	40.2	40.1
Cotton—North	.485	.489	17.97	17.99	37.1	36.8	39.9	39.9
Electrical manufacturing	.797	.795	30.53	30.09	38.3	37.8	39.9	39.9
Furniture[2]	.666	.668	25.15	25.30	37.7	37.9	40.9	40.9
Hosiery and knit goods	.544	.538	19.65	19.21	36.1	35.7	40.0	40.0
Iron and steel[3]	.859	.847	26.63	28.37	31.0	33.5	40.2	40.2
Leather tanning and finishing	.641	.635	24.36	24.43	38.0	38.5	40.3	40.3
Lumber and millwork	.679	.675	27.87	27.18	41.0	40.2	42.0	42.0
Meat packing	.695	.707	28.82	28.61	41.5	40.5	40.5	40.4
Paint and varnish	.721	.714	29.56	29.98	41.0	42.0	40.6	40.6
Paper and pulp	.641	.640	25.31	25.25	39.5	39.5	41.2	41.2
Paper products	.613	.609	24.30	24.28	39.6	39.9	40.4	40.5
Printing—book and job	.837	.836	32.26	32.05	38.5	38.4	40.0	40.1
Printing—news and magazine	.973	.967	35.22	35.26	36.2	36.4	39.7	39.8
Rubber	.866	.849	30.21	29.78	34.9	35.1	38.1	38.1
1. Rubber tires and tubes	1.009	.997	35.40	33.50	35.1	33.6	37.1	37.1
2. Other rubber products	.685	.680	23.69	25.12	34.6	36.9	39.4	39.4
Silk	.516	.536	17.31	17.74	33.5	33.1	40.2	40.3
Wool	.587	.586	20.67	20.67	35.2	35.3	40.3	40.3
Foundries and machine shops	.736	.740	28.28	28.35	38.4	38.3	40.2	40.2
1. Foundries	.747	.747	26.01	26.23	34.8	35.1	40.2	40.2
2. Machines and machine tools	.751	.750	31.20	31.29	41.5	41.7	41.0	40.9
3. Heavy equipment	.778	.779	29.95	30.26	38.5	38.8	40.1	40.1
4. Hardware and small parts	.660	.669	25.41	25.54	38.5	38.1	40.4	40.3
5. Other products	.735	.744	27.74	27.63	37.8	37.1	39.7	39.7
25 INDUSTRIES	$.722	$.721	$26.76	$26.79	37.2	37.2	40.3	40.3
Cement	$.694	$.694	$27.15	$27.13	39.1	39.1	39.3	39.4
Petroleum refining	.985	.969	35.78	35.03	36.3	36.1	36.0	36.0
27 INDUSTRIES	$.725	$.724	$26.88	$26.90	37.2	37.2	40.3	40.2

NOTE: The wage data here given are for cash payments only and do not take into consideration the value of such wage equivalents as reduced or free house rents or other special services rendered by the company to employees. Various forms of wage equivalents are in use in industrial establishments in many localities, but the part which they play as compensation for work performed cannot be taken into account in a study of this character.

[1] Based on data collected by the Automobile Manufacturers Association and THE CONFERENCE BOARD.

[2] Includes wood, metal, and upholstered household and office furniture.

[3] Based on data collected by the American Iron and Steel Institute and THE CONFERENCE BOARD.

CHANGES IN THE COST OF LIVING, JULY, 1939

Item	Relative Importance in Postwar Family Budget	Indexes, 1923=100			Percentage Changes	
		July, 1939	June, 1939	July, 1938	June, 1939 to July, 1939	July, 1938 to July, 1939
Food[1]	33	78.1	77.9	81.7	+0.3	-4.4
Housing	20	86.3	86.0	86.6	+0.3	-0.3
Clothing	12	71.9	72.0	73.5	-0.1	-2.2
Men's clothing		78.2	78.3	79.3	-0.1	-1.4
Women's clothing		65.7	65.7	67.7	0	-3.0
Fuel and light	5	83.8	83.4	84.1	+0.5	-0.4
Coal		82.2	82.0	82.9	+0.2	-0.8
Gas and electricity		87.1	86.2	86.5	+1.0	+0.7
Sundries	30	96.9	96.6	97.4	+0.3	-0.5
WEIGHTED AVERAGE OF ALL ITEMS	100	84.9	84.7	86.5	+0.2	-1.8
PURCHASING VALUE OF DOLLAR		117.8	118.1	115.6	-0.3	+1.9

[1] Based on food price indexes of the United States Bureau of Labor Statistics, July 18, 1939, June 13, 1939 and July 12, 1938.

INDEXES OF EARNINGS, EMPLOYMENT, MAN HOURS, AND PAYROLLS, ALL WAGE EARNERS

JULY, 1939

1923=100

INDUSTRY	Average Earnings						Employment		Total Man Hours Worked		Payrolls	
	Hourly, Actual		Weekly									
			Actual		Real							
	July	June	July	June	July	June	July	June	July	June	July	June
Agricultural implement	144.6	144.2	112.3	113.1	132.3	133.5	99.8	101.1	77.4	79.3	112.1	114.3
Automobile[1]	151.7	151.9	110.7	112.0	130.4	132.2	69.6	86.9	50.8	64.1	77.0	97.3
Boot and shoe	102.2	102.8	84.3	78.4	99.3	92.6	95.6	91.7	78.9	70.0	80.6	71.9
Chemical	150.8	149.6	109.6	109.4	129.1	129.2	110.6	109.9	80.4	80.3	121.2	120.2
Cotton—North	109.0	109.9	84.6	84.7	99.6	100.0	41.6	39.9	32.3	30.7	35.2	33.8
Electrical manufacturing	140.3	140.0	112.7	111.1	132.7	131.2	83.8	83.7	67.1	66.2	94.4	93.0
Furniture[2]	128.8	129.2	100.8	101.4	118.7	119.7	78.6	78.7	61.5	61.9	79.2	79.8
Hosiery and knit goods	142.4	140.8	111.2	108.7	131.0	128.3	112.0	109.5	87.4	84.4	124.5	119.0
Iron and steel[3]	144.1	142.1	77.8	82.9	91.6	97.9	91.3	90.5	49.0	52.6	71.0	75.0
Leather tanning and finishing	131.9	130.7	105.2	105.5	123.9	124.6	81.9	76.2	65.4	61.6	86.2	80.4
Lumber and millwork	143.6	142.7	119.0	116.1	140.2	137.1	65.2	64.4	54.0	52.3	77.6	74.8
Meat packing	146.9	149.5	122.4	121.5	144.2	143.4	97.0	95.0	81.0	77.4	118.7	115.4
Paint and varnish	135.0	133.7	111.3	112.8	131.1	133.2	126.4	128.3	104.0	108.2	140.7	144.7
Paper and pulp	127.2	127.0	97.0	96.8	114.3	114.3	107.1	107.3	81.7	81.9	103.9	103.9
Paper products	134.4	133.6	111.6	111.5	131.4	131.6	128.3	127.8	106.7	107.1	143.2	142.5
Printing—book and job	128.2	128.0	107.7	107.0	126.9	126.3	101.5	95.2	85.2	79.8	109.3	102.0
Printing—news and magazine	140.4	139.5	112.8	112.9	132.9	133.3	114.8	116.6	92.3	94.3	129.5	131.6
Rubber	138.3	135.6	107.8	106.2	127.0	125.4	70.6	71.5	55.0	56.0	76.1	75.9
Silk	104.0	108.1	75.2	77.0	88.6	90.9	80.7	82.3	58.1	58.6	60.7	63.4
Wool	116.2	116.0	86.2	86.2	101.5	101.8	76.9	77.7	57.0	57.7	66.3	67.0
Foundries and machine shops	128.4	129.1	99.7	99.9	117.4	117.9	82.4	81.7	63.8	63.1	82.2	81.6
1. Foundries	126.6	126.6	87.8	88.6	103.4	104.6	61.1	60.6	42.3	42.4	53.6	53.7
2. Machines and machine tools	136.8	136.6	114.3	114.6	134.6	135.3	94.2	92.3	78.5	77.3	107.7	105.8
3. Heavy equipment	116.1	116.3	90.7	91.6	106.8	108.1	59.3	58.1	46.3	45.7	53.8	53.2
4. Hardware and small parts	128.9	130.7	102.4	102.9	120.6	121.5	96.1	98.1	76.3	77.1	98.4	100.9
5. Other products	131.3	132.9	101.5	101.1	119.6	119.4	95.3	94.6	73.9	71.9	96.7	95.6
25 INDUSTRIES	133.5	133.3	100.6	100.7	118.5	118.9	84.0	84.6	63.5	64.0	84.5	85.2

NOTE: No basic 1923 data are available, hence no indexes are given for the following: rubber tires and tubes, other rubber products, cement, petroleum refining, and "27 industries."

[1] Based on data collected by the Automobile Manufacturers Association and THE CONFERENCE BOARD.

[2] Includes wood, metal, and upholstered household and office furniture.

[3] Based on data collected by the American Iron and Steel Institute and THE CONFERENCE BOARD.

in July were 0.8% lower than in June, 25.6% higher than in July, 1938, and 22% lower than in 1929.

HOURLY EARNINGS

Average hourly earnings showed a continued increase: 72.2 cents in July, as compared with 72.1 cents in June, an increase of 0.1%. They were 1.1% higher than a year ago, and 22.4% higher than in 1929 when they averaged 59.0 cents.

AVERAGE WORK WEEK

The average number of hours worked per week remained the same in July as in June, 37.2 hours. The average work week was 10.4% higher than in July, 1938, when it was 33.7 hours, but 23.0% lower than in 1929 when it was 48.3 hours. The only substantial changes in the average work week were an increase of 2.8 hours in the boot and shoe industry, and a decline of 2.5 hours in the iron and steel industry.

WEEKLY EARNINGS

Average weekly earnings showed practically no change from June to July. They were $26.76 in July as compared with $26.79 in June, a decrease of 0.1%. Decreases were reported in 13 of the 25 industries. The largest were 6.1% in the iron and steel industry, and 2.4% in the silk industry. On the other hand average weekly earnings in the boot and shoe industry increased 7.5% and in the lumber and millwork industry 2.5%. In the 25 industries combined, average weekly earnings

EARNINGS AND HOURS, ALL MALE AND FEMALE WAGE EARNERS

JULY, 1939

INDUSTRY	ALL MALE						FEMALE					
	Average Earnings				Average Hours per Week per Wage Earner		Average Earnings				Average Hours per Week per Wage Earner	
	Hourly		Weekly				Hourly		Weekly			
	July	June	July	June	July	June	July	June	July	June	July	June
Agricultural implement	$.807	$.805	$31.01	$31.23	38.4	38.8	$.597	$.597	$22.50	$22.99	37.7	38.5
Automobile[1]	.970	.971	33.85	34.28	34.9	35.3	.697	.686	22.44	22.71	32.2	33.1
Boot and shoe	.575	.578	21.54	20.52	37.4	35.5	.407	.411	15.21	14.15	37.4	34.4
Chemical	.797	.788	30.85	30.69	38.7	39.0	.535	.540	20.61	20.89	38.5	38.7
Cotton—North	.531	.537	20.58	20.55	38.8	38.2	.419	.422	14.62	14.71	34.9	34.9
Electrical manufacturing	.855	.852	32.96	32.52	38.6	38.2	.564	.562	21.06	20.50	37.3	36.5
Furniture[2]	.677	.679	25.66	26.01	37.9	38.3	.494	.491	17.09	15.61	34.6	31.8
Hosiery and knit goods	.697	.687	27.08	26.83	38.8	39.1	.430	.430	15.71	15.31	36.5	35.6
Iron and steel[3]	.859	.847	26.63	28.37	31.0	33.5	....	....	....	.....	....	....
Leather tanning and finishing	.667	.660	25.50	25.49	38.2	38.6	.476	.472	17.49	17.80	36.8	37.7
Lumber and millwork	.679	.675	27.87	27.18	41.0	40.2	....	....	....	.....	....	....
Meat packing	.721	.734	30.20	29.95	41.9	40.8	.541	.548	21.26	21.14	39.3	38.6
Paint and varnish	.734	.726	30.24	30.64	41.2	42.2	.517	.522	19.80	20.67	38.3	39.6
Paper and pulp	.657	.656	26.04	26.00	39.6	39.6	.428	.427	15.69	15.84	36.6	37.1
Paper products	.678	.672	27.52	27.36	40.6	40.7	.453	.454	16.93	17.27	37.4	38.1
Printing—book and job	.928	.924	37.07	36.77	39.9	39.8	.521	.518	18.16	18.48	34.8	35.7
Printing—news and magazine	1.018	1.017	37.17	37.46	36.5	36.8	.589	.581	19.95	19.65	33.9	33.8
Rubber	.955	.941	33.88	33.10	35.5	35.2	.571	.566	18.73	19.58	32.8	34.6
1. Rubber tires and tubes	1.044	1.031	36.97	35.12	35.4	34.1	.722	.717	23.62	21.57	32.7	30.1
2. Other rubber products	.790	.788	28.09	29.30	35.6	37.2	.515	.519	16.90	18.84	32.8	36.3
Silk	.579	.598	19.33	20.22	33.4	33.8	.398	.403	13.42	12.81	33.8	31.8
Wool	.637	.642	23.50	23.37	36.9	36.4	.495	.493	16.63	16.97	33.6	34.5
Foundries and machine shops	.754	.759	29.08	29.23	38.6	38.5	.478	.480	17.37	17.09	36.3	35.6
1. Foundries	.751	.751	26.13	26.38	34.8	35.1	.559	.562	19.46	18.07	34.8	32.2
2. Machines and machine tools	.756	.755	31.42	31.53	41.6	41.8	.523	.512	20.94	19.93	40.0	38.9
3. Heavy equipment	.778	.779	29.95	30.26	38.5	38.8	....	....	....	.....	....	....
4. Hardware and small parts	.692	.704	26.83	26.99	38.8	38.3	.452	.457	16.69	16.99	36.9	37.1
5. Other products	.769	.781	29.29	29.32	38.1	37.5	.485	.487	17.26	16.82	35.6	34.5
25 INDUSTRIES	$.767	$.767	$28.69	$28.80	37.6	37.7	$.471	$.472	$16.76	$16.57	35.6	35.1
Cement	$.694	$.694	$27.15	$27.13	39.1	39.1	....	....	....	.....	....	....
Petroleum refining	.985	.969	35.78	35.03	36.3	36.1	....	....	....	.....	....	....
27 INDUSTRIES	$.770	$.769	$28.79	$28.88	37.6	37.7	....	....	....	.....	....	....

[1] Based on data collected by the Automobile Manufacturers Association and THE CONFERENCE BOARD.

[2] Includes wood, metal, and upholstered household and office furniture.

[3] Based on data collected by the American Iron and Steel Institute and THE CONFERENCE BOARD.

EARNINGS AND HOURS, UNSKILLED AND SKILLED AND SEMISKILLED MALE WAGE EARNERS

JULY, 1939

INDUSTRY	UNSKILLED						SKILLED AND SEMISKILLED					
	Average Earnings				Average Hours per Week per Wage Earner		Average Earnings				Average Hours per Week per Wage Earner	
	Hourly		Weekly				Hourly		Weekly			
	July	June	July	June	July	June	July	June	July	June	July	June
Agricultural implement	$.645	$.649	$24.71	$25.87	38.3	39.8	$.827	$.827	$31.80	$31.94	38.4	38.6
Automobile[1]	.799	.794	30.20	30.57	37.8	38.5	.979	.980	33.97	34.40	34.7	35.1
Boot and shoe	.432	.436	15.98	15.65	37.0	35.9	.581	.584	21.73	20.73	37.4	35.5
Chemical	.696	.694	26.58	27.02	38.2	38.9	.833	.822	32.41	32.05	38.9	39.0
Cotton—North	.489	.498	19.37	19.84	39.6	39.9	.547	.553	21.05	20.81	38.5	37.6
Electrical manufacturing	.669	.672	26.09	25.74	39.0	38.3	.876	.872	33.81	33.31	38.6	38.2
Furniture[2]	.519	.532	19.31	20.43	37.2	38.4	.716	.716	27.28	27.42	38.1	38.3
Hosiery and knit goods	.463	.460	19.16	19.01	41.4	41.3	.714	.706	27.62	27.47	38.7	38.9
Iron and steel[3]	.660	.646	20.99	21.83	31.8	33.8	.894	.883	27.54	29.58	30.8	33.5
Leather tanning and finishing	.553	.542	20.32	20.85	36.7	38.4	.695	.687	26.83	26.57	38.6	38.7
Lumber and millwork	.482	.477	20.13	19.86	41.8	41.6	.750	.747	30.78	29.82	41.0	39.9
Meat packing	.630	.640	26.56	26.35	42.2	41.2	.771	.784	32.14	31.84	41.7	40.6
Paint and varnish	.631	.628	25.37	26.12	40.2	41.6	.789	.779	32.98	33.11	41.8	42.5
Paper and pulp	.542	.539	20.72	20.50	38.2	38.0	.696	.696	27.81	27.87	39.9	40.1
Paper products	.537	.524	21.94	21.20	40.9	40.5	.737	.735	29.85	29.99	40.5	40.8
Printing—book and job	.549	.543	22.31	21.96	40.6	40.4	1.036	1.029	41.16	40.78	39.7	39.6
Printing—news and magazine	.632	.626	22.30	22.40	35.3	35.8	1.105	1.105	40.66	40.94	36.8	37.1
Rubber	.676	.669	25.18	25.37	37.3	37.9	.964	.950	34.13	33.30	35.4	35.1
1. Rubber tires and tubes	.769	.764	27.25	27.21	35.4	35.6	1.051	1.038	37.22	35.29	35.4	34.0
2. Other rubber products	.569	.564	22.51	22.99	39.6	40.8	.799	.798	28.31	29.55	35.4	37.0
Wool	.521	.519	19.28	18.83	37.0	36.3	.694	.702	25.56	25.62	36.8	36.5
Foundries and machine shops	.616	.617	22.96	22.99	37.3	37.2	.779	.783	30.22	30.37	38.8	38.8
1. Foundries	.607	.605	21.56	21.40	35.5	35.4	.808	.807	27.88	28.29	34.5	35.1
2. Machines and machine tools	.574	.573	22.93	22.92	40.0	40.0	.772	.773	32.37	32.60	41.9	42.1
3. Heavy equipment	.613	.611	23.08	23.05	37.6	37.7	.804	.806	31.07	31.44	38.6	39.0
4. Hardware and small parts	.570	.569	21.59	21.27	37.9	37.4	.708	.711	27.66	27.57	39.1	38.8
5. Other products	.672	.681	24.73	25.16	36.8	36.9	.787	.800	30.15	30.12	38.3	37.7
24 INDUSTRIES[4]	$.593	$.591	$22.51	$22.65	38.2	38.4	$.810	$.809	$30.26	$30.35	37.6	37.6
Cement	$.594	$.582	$22.84	$22.09	38.5	38.0	$.714	$.715	$28.03	$28.15	39.3	39.4
Petroleum refining	.687	.697	24.53	24.26	35.7	34.8	1.038	1.017	37.78	36.92	36.4	36.3
26 INDUSTRIES[4]	$.594	$.592	$22.54	$22.66	38.2	38.4	$.813	$.812	$30.38	$30.45	37.6	37.6

[1] Based on data collected by the Automobile Manufacturers Association and THE CONFERENCE BOARD.

[2] Includes wood, metal, and upholstered household and office furniture.

[3] Based on data collected by the American Iron and Steel Institute and THE CONFERENCE BOARD.

[4] Silk industry not included, as adequate data for unskilled and skilled groups are not available for this industry.

Wages and the Cost of Living

(*Continued from page* 131)

were 12.3% higher than in July a year ago, when they averaged $23.83, but 6.3% lower than in 1929, when they were $28.55. Real weekly earnings, that is, actual weekly earnings adjusted for changes in the cost of living were 0.3% lower than in June, but 14.4% higher than in July, 1938, and 10.5% higher than in 1929.

COST OF LIVING

The cost of living of wage earners after declining for two consecutive months advanced slightly, 0.2% from June to July. Increases in costs occurred in each of the major groups of expenditures except clothing. The cost of living in July was 1.8% lower than a year ago, and 15.2% lower than in 1929, but 18.4% higher than at the low point of 1933. The purchasing value of the dollar was 117.8 cents in July, compared with 118.1 cents in June, 115.6 cents in July, 1938, and 100 cents in 1923.

The Conference Board Management Record is Published Monthly for the Information of Associates of the
NATIONAL INDUSTRIAL CONFERENCE BOARD
247 Park Avenue, New York City